

## Message Text

UNCLASSIFIED

PAGE 01 LAGOS 02595 071941Z

ACTION COME-00

INFO OCT-01 AF-08 EUR-12 ISO-00 EB-08 /029 W

-----080257Z 060389 /22

R 071529Z MAR 77

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 9729

INFO AMCONSUL IBADAN

AMCONSUL KADUNA

AMEMBASSY LONDON

AMEMBASSY COTONOU

UNCLAS LAGOS 02595

ALSO FOR MEPD AND AF/W.

E. O. 11652: NA

TAGS: BTIO, BENC, NI

SUBJ: CONSTRUCTION SERVICE AGREEMENT: NCFC ENUGU

SUMMARY: TROUBLED 17-YEAR OLD CONSTRUCTION COMPANY OWNED BY ANAMBRA STATE SEEKING PROJECT-BY-PROJECT SERVICE AGREEMENTS WITH MAJOR CONSTRUCTION COMPANIES FOR ROAD AND BUILDING CONTRACTS. THIS APPEARS BE ATTRACTIVE OPPORTUNITY WORTH INVESTIGATING.

1. DURING FIELD TRIP TO SOUTHEASTERN NIGERIA LAST WEEK EMBOFFS LEARNED OF UNUSUAL OPPORTUNITY INVOLVING NIGERIAN CONSTRUCTION AND FURNITURE CO., 5 ONITSHA ROAD, P.O. BOX 345, ENUGU, ANAMBRA STATE, CABLES: EMGSOL, TELEPHONE 3452. FOUNDED 1960 AND OWNED BY ANAMBRA STATE GOVERNMENT, NCFC HAS THROUGH MISMANAGEMENT LOST HEAVILY ON RECENT PROJECTS AND NOW DEEPLY IN DEBT. IT STILL HAS MIDDLE AND JUNIOR STAFF, GOOD WILL AND ASSETS WHICH INCLUDE MODERN OFFICE BUILDING ABOVE ADDRESS AND EQUIPMENT, SOME OF IT OLD. IN ORDER REBUILD, COMPANY SEEKS PROJECT-BY-PROJECT SERVICE AGREEMENTS WITH MAJOR FOREIGN ROAD AND BUILDING CONTRACTORS WHICH CAN

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LAGOS 02595 071941Z

SUPPLY MANAGERIAL AND SENIOR TECHNICAL EXPERTISE. ALREADY HAS ONE SUCH ASSOCIATION, WITH FRENCH FIRM, FOR FEDERAL SECRETARIAT BUILDING PORT HARCOURT.

2. MR. C. EZEJI-OKOYE, CIVIL SERVANT WHO AS "OFFICER-IN-CHARGE" NOW MANAGES COMPANY, SAID FOREIGN ASSOCIATES WOULD NOT INHERIT FIRM'S FINANCIAL PROBLEMS. ALSO SAID NCFC WOULD

PROVIDE HOUSING AND EXPATRIATE QUOTAS BUT WAS VAGUE ABOUT INDIGENIZATION ASPECT AND SMILINGLY DECLINED PROVIDE COPY ANNUAL REPORT ON GROUNDS IT TOO DISCOURAGING. HE SAID POTENTIAL ASSOCIATES SHOULD BE AT LEAST HALF SIZE OF FRENCH FIRM FOUGEROLLE, WHICH HAS SEVERAL LARGE ROAD CONTRACTS IN SOUTHEAST NIGERIA, IN ORDER HANDLE PROJECTS WORTH SEVERAL MILLIONS. HE ADDED THAT NCFC WILL SPLIT OFF ITS PROFITABLE FURNITURE OPERATION INTO SEPARATE COMPANY FROM APRIL 1.

3. ANOTHER SOURCE SAID NCFC SUFFERED FROM INEXPERIENCED MANAGEMENT, WHICH UNDERBID EVERY JOB AND THEN BORROWED FROM BANKS TO COMPLETE JOB. SOURCE, AN ENGINEER, SAID FIRM NEEDS OUTSIDE EXPERTISE IN SUCH AREAS AS PRESTRESSED ROAD AND BUILDING WORK AND BUILDING SHUTTERING (CLADDING). HE SAID FIRM SEVERELY AFFECTED BY 1975 CIVIL SERVICE PURGE WITH RESULT THAT SENIOR STAFF FOUND OTHER JOBS, LEAVING INTERMEDIATE ENGINEERS AND JUNIORS. HE INSISTED FIRM RETAINS GOOD WILL AND IS SALVAGEABLE, SAYING PAST PROJECTS INCLUDE SOVIET EMBASSY, LAGOS; KADUNA AIRPORT RUNWAY; ENUGU AIRPORT AND SEVERAL ROADS AND BUILDINGS.

4. COMMENT: EMBOFFS WERE IMPRESSED BY OFFICIALS' CANDOR IN ATTRIBUTING FIRM'S PROBLEMS TO MISMANAGEMENT AND TECHNICAL INEXPERIENCE. ALSO IMPRESSED BY FIRM'S MODERN FACILITIES AND ADMITTEDLY SUPERFICIAL APPEARANCE THAT MOBILIZATION FOR A PROJECT WOULD BE RELATIVELY RAPID. EMBASSY BELIEVES NCFC SITUATION WORTH INVESTIGATING BY MAJOR FIRMS INTERESTED NIGERIA. CAUTION OBVIOUSLY WARRANTED AND FIRMS SHOULD PARTICULARLY LOOK INTO SUCH ASPECTS AS FINANCIAL

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LAGOS 02595 071941Z

AND DEGREE OF ANAMBRA GOVERNMENT INVOLVEMENT IN ACTUAL OPERATIONS. PLEASE BRING TO ATTENTION OF SHARP, DRAVO AND BECHTEL AMONG OTHERS. KADUNA PLEASE ADVISE JONES AMONG OTHERS. COTONOU TELL MORRISON - KNUDSEN.

CROSBY

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977LAGOS02595  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770078-0836  
**Format:** TEL  
**From:** LAGOS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770387/aaaacyhx.tel  
**Line Count:** 102  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** f15481bc-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION COME  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3188661  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONSTRUCTION SERVICE AGREEMENT: NCFC ENUGU SUMMARY: TROUBLED 17-YEAR OLD CONSTRUCTION COMPANY OWNED BY ANAMBRA STATE SEEKING PROJECT-BY-PROJECT SERVICE  
**TAGS:** BTIO, BENC, NI  
**To:** STATE  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/f15481bc-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009